



FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request

AGENCY: Federal Trade Commission (FTC or Commission).

ACTION: Notice.

SUMMARY: The information collection requirements described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act (PRA). The FTC seeks public comments on its proposal to extend for three years the current PRA clearances for information collection requirements contained in three product labeling rules enforced by the Commission. Those clearances expire on March 31, 2015.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested parties may file a comment online or on paper by following the instructions in the Request for Comments part of the **SUPPLEMENTARY INFORMATION** section below. Write “Apparel Rules: FTC File No. P074201” on your comment, and file your comment online at <https://ftcpublic.commentworks.com/ftc/apparelrulespra> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary,

Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Requests for copies of the collection of information and supporting documentation should be addressed to Robert M. Frisby, 202-326-2098, or Lemuel Dowdy, 202-326-2981, Attorneys, Division of Enforcement, Bureau of Consumer Protection, 600 Pennsylvania Ave., N.W., Room CC-9528, Washington, D.C. 20580.

SUPPLEMENTARY INFORMATION:

Proposed Information Collection Activities

Under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501-3520, federal agencies must get OMB approval for each collection of information they conduct, sponsor, or require.

“Collection of information” means agency requests or requirements to submit reports, keep records, or provide information to a third party. 44 U.S.C. 3502(3); 5 CFR 1320.3(c). As required by section 3506(c)(2)(A) of the PRA, the FTC is providing this opportunity for public comment before requesting that OMB extend the existing PRA clearance for the information collection requirements associated with the Commission’s rules and regulations under the rules and regulations under the Wool Products Labeling Act of 1939 (“Wool Rules”), 16 CFR Part 300 (OMB Control Number 3084-0100); rules and regulations under the Textile Fiber Products Identification Act (“Textile Rules”), 16 CFR Part 303 (OMB Control Number 3084-0101); and the Care Labeling of Textile Wearing Apparel and Certain Piece Goods As Amended (“Care Labeling Rule”), 16 CFR 423 (OMB Control Number 3084-0103).

The FTC invites comments on: (1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond.¹ All comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Burden Estimates

Staff's burden estimates for the three rules in question are based on data from the Department of Commerce's Bureau of the Census, the International Trade Commission, the Department of Labor's Bureau of Labor Statistics ("BLS"), and data or other input from the main industry association, the American Apparel and Footwear Association (AAFA). The AAFA, a national trade association which represents U.S. apparel, footwear and other sewn products companies and their suppliers, has stated that "[t]he use of labels on textiles and

¹ As part of its regulatory review program, the Commission is currently reviewing the Care Labeling Rule. *See Federal Trade Commission: Care Labeling of Textile Wearing Apparel and Certain Piece Goods as Amended: Notice of Proposed Rulemaking; Request for Public Comment*, 77 FR 58338 (Sept. 20, 2012). The Commission held a public roundtable on the proposed amendments on March 28, 2014. *See* 79 FR 9442 (Feb. 19, 2014)

The Commission recently completed its review of the Textile and Wool Rules. *Federal Trade Commission: Rules and Regulations Under the Textile Fiber Products Identification Act: Final Rule*, 79 FR 18766 (Apr. 4, 2014); *Federal Trade Commission: Rules and Regulations under the Wool Products Labeling Act of 1939: Final Rule*, 79 FR 32157 (June 4, 2014).

apparels is beneficial to consumers, manufacturers, and business in general as it allows for the necessary flow of information along the supply chain.”² The relevant information collection requirements in these rules and staff’s corresponding burden estimates follow. The estimates address the number of hours needed and the labor costs incurred to comply with the requirements. Staff believes that a significant portion of hours and labor costs currently attributable to burden below are time and financial resources usually and customarily incurred by persons in the course of their regular activity (e.g., industry participants already have and/or would have care labels regardless of the rule(s)) and could be excluded from PRA-related burden.³

1. Wool Rules (OMB Control Number: 3084-0100)

The Wool Products Labeling Act of 1939 (“Wool Act”)⁴ prohibits the misbranding of wool products. The Wool Rules establish disclosure requirements that assist consumers in making informed purchasing decisions and recordkeeping requirements that assist the Commission in enforcing the Rules.

Estimated annual hours burden: 1,880,000 hours (160,000 recordkeeping hours +

² Page one from comment by Kevin M. Burke, President and CEO, American Apparel & Footwear Association, March 26, 2012, *Advance Notice of Proposed Rulemaking; Request for Public Comment; Rules and Regulations under the Wool Products Labeling Act of 1939*; 77 FR 4498 (Jan. 30, 2012).

³ 5 CFR 1320.3(b)(2).

⁴ 15 U.S.C. 68 *et seq.*

1,720,000 disclosure hours).

Recordkeeping: Staff estimates that approximately 4,000 wool firms are subject to the Wool Rules' recordkeeping requirements. Based on an average annual burden of 40 hours per firm, the total recordkeeping burden is 160,000 hours.

Disclosure: Approximately 8,000 wool firms, producing or importing about 600,000,000 wool products annually, are subject to the Wool Rules' disclosure requirements. Staff estimates the burden of determining label content to be 30 hours per year per firm, or a total of 240,000 hours, and the burden of drafting and ordering labels to be 60 hours per firm per year, or a total of 480,000 hours. Staff believes that the process of attaching labels is now fully automated and integrated into other production steps for about 40 percent of all affected products. For the remaining 360,000,000 items (60 percent of 600,000,000), the process is semi-automated and requires an average of approximately ten seconds per item, for a total of 1,000,000 hours per year. Thus, the total estimated annual burden for all firms is 1,720,000 hours (240,000 hours for determining label content + 480,000 hours to draft and order labels + 1,000,000 hours to attach labels). Staff believes that any additional burden associated with advertising disclosure requirements would be minimal (less than 10,000 hours) and can be subsumed within the burden estimates set forth above.

Estimated annual cost burden: \$16,380,000, rounded to the nearest thousand (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
Determine label content	\$ 26.00	240,000	\$6,240,000

Task	Hourly Rate	Burden Hours	Labor Cost
Draft and order labels	\$ 17.00	480,000	\$8,160,000
Attach labels	\$ 5.50 ⁵	1,000,000	\$5,500,000
Recordkeeping	\$ 17.00	160,000	\$2,720,000
TOTAL			\$16,380,000

Staff believes that there are no current start-up costs or other capital costs associated with the Wool Rules. Because the labeling of wool products has been an integral part of the manufacturing process for decades, manufacturers have in place the capital equipment necessary to comply with the Rules. Based on knowledge of the industry, staff believes that much of the information required by the Wool Act and Rules would be included on the product label even

⁵ For imported products, the labels generally are attached in the country where the products are manufactured. According to information compiled by an industry trade association using data from the U.S. Department of Commerce, International Trade Administration and the U.S. Census Bureau, approximately 97.5 % of apparel used in the United States is imported. With the remaining 2.5 % attributable to U.S. production at an approximate domestic hourly wage of \$10 to attach labels, staff has calculated a weighted average hourly wage of \$5.50 per hour attributable to U.S. and foreign labor combined. The estimated percentage of imports supplied by particular countries is based on trade data for the year ending in September 2014 compiled by the Office of Textiles and Apparel, International Trade Administration. Wages in major textile exporting countries, factored into the above hourly wage estimate, were based on 2012 data from the U.S. Department of Labor, Bureau of Labor Statistics. See Table 1.1 Indexes of hourly compensation costs in manufacturing, U.S. dollar basis, 1996-2012 (Index, U.S. = 100) available at: <http://www.bls.gov/fls/#compensation>.

absent their requirements. Similarly, recordkeeping and advertising disclosures are tasks performed in the ordinary course of business so that covered firms would incur no additional capital or other non-labor costs as a result of the Rules.

2. Textile Rules (OMB Control Number: 3084-0101)

The Textile Fiber Products Identification Act (“Textile Act”)⁶ prohibits the misbranding and false advertising of textile fiber products. The Textile Rules establish disclosure requirements that assist consumers in making informed purchasing decisions, and recordkeeping requirements that assist the Commission in enforcing the Rules. The Rules also contain a petition procedure for requesting the establishment of generic names for textile fibers.

Estimated annual hours burden: 39,186,772 hours (1,237,015 recordkeeping hours + 37,949,757 disclosure hours).

Recordkeeping: Staff estimates that approximately 19,031 textile firms are subject to the Textile Rules’ recordkeeping requirements. Based on an average burden of 65 hours per firm, the total recordkeeping burden is 1,237,015 hours.

Disclosure: Approximately 22,642 textile firms, producing or importing about 20.8

⁶ 15 U.S.C. 70 *et seq.*

billion textile fiber products annually, are subject to the Textile Rules' disclosure requirements.⁷ Staff estimates the burden of determining label content to be 65 hours per year per firm, or a total of 1,471,730 hours and the burden of drafting and ordering labels to be 80 hours per firm per year, or a total of 1,811,360 hours.⁸ Staff believes that the process of attaching labels is now fully automated and integrated into other production steps for about 40 percent of all affected products. For the remaining 12.48 billion items (60 percent of 20.8 billion), the process is semi-automated and requires an average of approximately ten seconds per item, for a total of 34,666,667 hours per year. Thus, the total estimated annual burden for all firms is 37,949,757 hours (1,471,730 hours to determine label content + 1,811,360 hours to draft and order labels +

⁷ The estimated consumption of garments in the U.S. in 2012 was 19.4 billion. However, staff estimates that 1 billion garments are exempt from the Textile Act (*i.e.*, any kind of headwear and garments made from something other than a textile fiber product, such as leather) or are subject to a special exemption for hosiery products sold in packages where the label information is contained on the package. Based on available data, staff estimates that an additional 3 billion household textile products (non-garments, such as sheets, towels, blankets) were consumed. However, approximately 0.6 billion of all of these garments and household products are subject to the Wool Act, not the Textile Act, because they contain some amount of wool. Thus, the estimated net total products subject to the Textile Act is 20.8 billion ($19.4 - 1 + 3 = 21.4 - 0.6 = 20.8$ billion).

⁸ In 2007, Congress amended the Wool Act to explicitly define "cashmere" and certain terms used to describe superfine wool (e.g., "Super 80s," "Super 90s," etc.). See Pub. L. 109-428. In 2014, the Commission revised the Wool Rules to incorporate these amendments as well as to clarify and streamline certain provisions and to allow more flexibility in marketing wool products (e.g., allowing the use of certain hang-tags that do not disclose a product's full fiber content). The Commission sought comment on the increased burden, if any, imposed by these changes but did not receive any comments asserting that the amendments would increase compliance costs. See 79 FR 32157 (June 4, 2014).

34,666,667 hours to attach labels).⁹ Staff believes that any additional burden associated with advertising disclosure requirements or the filing of generic fiber name petitions would be minimal (less than 10,000 hours) and can be subsumed within the burden estimates set forth above.

Estimated annual cost burden: \$280,754,000, rounded to the nearest thousand (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
Determine label content	\$ 26.00	1,471,730	\$38,264,980
Draft and order labels	\$ 17.00	1,811,360	\$30,793,120
Attach labels	\$ 5.50 ¹⁰	34,666,667	\$190,666,669
Recordkeeping	\$ 17.00	1,237,015	\$21,029,255
TOTAL			\$280,754,024

⁹ The Commission revised the Textile Rules in 2006 in response to amendments to the Textile Act. *See* 70 Fed. Reg. 73369 (Dec. 12, 2005). These amendments concerned the placement of labels on packages of certain types of socks and, therefore, do not place any additional disclosure burden on covered entities. In 2014, the Commission revised the Textile Rules to clarify and streamline certain provisions and to allow more flexibility in marketing textile products (*e.g.*, allowing the use of certain hang-tags that do not disclose the product's full fiber content). The Commission sought comment on the increased burden, if any, imposed by these changes but did not receive any comments asserting that the amendments would increase compliance costs. *See* 79 FR 18766 (Apr. 4, 2014).

¹⁰ *See* note 3.

Staff believes that there are no current start-up costs or other capital costs associated with the Textile Rules. Because the labeling of textile products has been an integral part of the manufacturing process for decades, manufacturers have in place the capital equipment necessary to comply with the Rules' labeling requirements. Industry sources indicate that much of the information required by the Textile Act and Rules would be included on the product label even absent their requirements. Similarly, recordkeeping, invoicing, and advertising disclosures are tasks performed in the ordinary course of business; therefore, covered firms would incur no additional capital or other non-labor costs as a result of the Rules.

3. The Care Labeling Rule (OMB Control Number: 3084-0103)

The Care Labeling Rule requires manufacturers and importers to attach a permanent care label to all covered textile clothing in order to assist consumers in making purchase decisions and in determining what method to use to clean their apparel. Also, manufacturers and importers of piece goods used to make textile clothing must provide the same care information on the end of each bolt or roll of fabric.

Estimated annual hours burden: 34,742,226 hours (solely relating to disclosure¹¹).

Staff estimates that approximately 22,642 manufacturers or importers of textile apparel, producing about 18.4 billion textile garments annually, are subject to the Rule's disclosure requirements. The burden of developing proper care instructions may vary greatly among firms, primarily based on the number of different lines of textile garments introduced per year that

¹¹ The Care Labeling Rule imposes no specific recordkeeping requirements. Although the Rule requires manufacturers and importers to have reliable evidence to support the recommended care instructions, companies rely on current technical literature or past experience.

require new or revised care instructions. Staff estimates the burden of determining care instructions to be 100 hours each year per firm, for a cumulative total of 2,264,200 hours. Staff further estimates that the burden of drafting and ordering labels is 80 hours each year per firm, for a total of 1,811,360 hours. Staff believes that the process of attaching labels is fully automated and integrated into other production steps for about 40 percent of the approximately 18.4 billion garments that are required to have care instructions on permanent labels.¹² For the remaining 11.04 billion items (60 percent of 18.4 billion), the process is semi-automated and requires an average of approximately ten seconds per item, for a total of 30,666,667 hours per year. Thus, the total estimated annual burden for all firms is 34,742,226 hours (2,264,200 hours to determine care instructions + 1,811,360 hours to draft and order labels + 30,666,666 hours to attach labels).

Estimated annual cost burden: \$258,329,000, rounded to the nearest thousand (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
Determine care instructions	\$ 26.00	2,264,200	\$58,869,200

¹² About 1 billion of the 19.4 billion garments produced annually are either not covered by the Care Labeling Rule (gloves, hats, caps, and leather, fur, plastic, or leather garments) or are subject to an exemption that allows care instructions to appear on packaging (hosiery).

Task	Hourly Rate	Burden Hours	Labor Cost
Draft and order labels	\$ 17.00	1,811,360	\$30,793,120
Attach labels	\$ 5.50 ¹³	30,666,667	\$168,666,669
TOTAL			\$258,328,989

Staff believes that there are no current start-up costs or other capital costs associated with the Care Labeling Rule. Because the labeling of textile products has been an integral part of the manufacturing process for decades, manufacturers have in place the capital equipment necessary to comply with the Rule's labeling requirements. Based on knowledge of the industry, staff believes that much of the information required by the Rule would be included on the product label even absent those requirements.

Request for Comments

You can file a comment online or on paper. Write "Apparel Rules: FTC File No. P074201" on your comment. Your comment -- including your name and your state -- will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission website. Because your comment will be made public, you are

¹³ See note 3.

solely responsible for making sure that your comment does not include any sensitive personal information, such as a Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, do not include any "[t]rade secret or any commercial or financial information which is . . . privileged or confidential," as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you must follow the procedure explained in FTC Rule 4.9(c), 16 CFR 4.9(c). Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest. Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, the Commission encourages you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/apparelrulespra> by following the instructions on the web-based form. If this Notice appears at <http://www.regulations.gov>, you also may file a comment through that website.

If you file your comment on paper, write “Apparel Rules: FTC File No. P074201” on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, N.W., Suite CC-5610, (Annex J), Washington, D.C. 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, S.W., 5th Floor, Suite 5610, (Annex J), Washington, D.C. 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. You can find more information, including routine uses permitted by the Privacy Act, in the Commission’s privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

David C. Shonka,
Principal Deputy General Counsel.

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